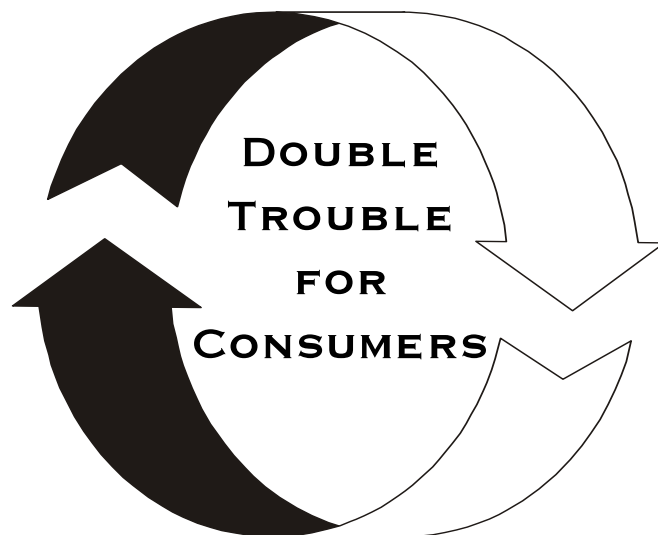


FTC FACTS for Consumers

RELOADING SCAMS:



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f you've been a victim of telemarketing fraud, chances are you're on a list to be called — and scammed — again. That's because consumers who have lost money often are placed on "sucker lists," an index of people who have lost money to bogus telephone solicitations. Sucker lists, which include names, addresses, phone numbers, and other information, are created, bought, and sold by some fraudulent telemarketers. They're considered invaluable because dishonest promoters know that consumers who have been tricked once are likely to be tricked again. This double scam is called "reloading."

HOW THE SCAM WORKS

Double scammers, known as reloaders, use several methods to repeatedly victimize consumers. For example, if you've lost money to a fraudulent telemarketing scheme, you may get a call from someone claiming to work for a government agency, private company, or consumer organization that could recover your lost money, product, or prize — for a fee. The catch is that the second caller often is as phony as the first, and may even work for the company that took your money in the first place. If you pay the recovery fee, you've been double-scammed.



Be aware that some local government agencies and consumer organizations provide help to consumers who have lost money to fraudulent promoters. Fortunately, there's a way to tell whether the caller offering help is legitimate: If they ask you to pay a fee or if they guarantee to get your money back, it's a fraud.

Facts for Consumers

Another reloading scam uses prize incentives to get you to continue to buy merchandise. If you buy, you may get a second call claiming you're eligible to win a more valuable prize. The second caller makes you think that buying more merchandise increases your chances of winning. If you take the bait, you may be called yet again with the same sales pitch. The only difference is that the caller now claims that you're a "grand prize" finalist and, if you buy even more, you could win the "grand prize."

Fraudulent promoters involved in reloading scams want payment as quickly as possible — usually by credit card or a check delivered to them by courier. Often, it takes at least several weeks to get your products and prizes. When you do receive them, you'll probably find that you've overpaid for shoddy goods, and that you didn't win the "grand prize" at all. Unfortunately, your credit card has long since been charged or your check cashed.

PROTECT YOURSELF

You can avoid becoming a victim of a reloading scam. Here's how:

- ✓ Beware of people who claim to work for companies, consumer organizations, or government agencies that recover money for a fee. Legitimate organizations, such as national, state, and local consumer enforcement agencies and non-profit organizations, like the National Fraud Information Center (NFIC) or Call For Action (CFA), do not charge for their services or guarantee results.
- ✓ Be suspicious of people who ask you to send money by a courier or who say they will send a courier to your home to pick up your check.
- ✓ Before you buy over the phone from someone you don't know, ask for written information about the deal. Also check out the company with your state or local consumer protection agency or the Better Business Bureau. This is not a foolproof way to check on a company, but it is prudent.
- ✓ Be wary of promoters who contact you several times and urge you to buy more merchandise to increase your chances of winning valuable prizes.
- ✓ Wait until you get and inspect your first order before you buy more.



Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer and Business Education

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